

# **TRANSCRIPT**

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**Transcript of Remarks by  
Agriculture Secretary Ann M. Veneman  
National Association of Towns and Townships National Conference  
Washington, DC  
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**SEC. ANN M. VENEMAN:** "Well, thank you so very much for that very kind introduction. Good afternoon to all of you. It is my great honor and privilege to be here on behalf of President Bush today and to welcome you all to Washington, DC.

"One of the great things about being Secretary of Agriculture is the fact that I do have the opportunity to travel to small-town America and our country's rural areas. And I always enjoy having the chance to be in front of the nation's less-urban settings where people don't think that "township" is something that you take out on the water.

"Another great thing about visiting with people cross the country is the constant reminder that not all wisdom is found in Washington, DC.

[Applause.]

"But in this case, all of you have brought your wisdom here, and it is a pleasure to be in the company of such a diverse and distinguished group of officials from around the country.

"One of the hallmarks of the Bush Administration has been respect for government at the state, local and tribal levels, as well as local individuals, businesses and community organizations. This respect informs our policies and the work that we do every day, and it is especially important in a department with the size and scope of the U.S. Department of Agriculture.

"We recognize that the federal government cannot and should not do it all, and that our efforts are most effective when they involve partnerships formed through consultation, cooperation, and communication.

"Some of the most meaningful partnerships we support locally involve the programs of USDA Rural Development. It is often said that it is the only agency of government that literally can build a town from the ground up. Our efforts to help ensure quality-of-life and economic competitiveness in rural communities center around three areas-- home ownership opportunities, business development and community infrastructure.

"Today our nation has a record high rate of home ownership standing at 69.2 percent. The rate is even higher in rural areas for a record 76.1 percent of residents who own their own home. And single-family housing affordability nationwide is at the highest level in 30 years.

"But we are working hard to ensure that the dream of home ownership is within reach for more families. President Bush has established aggressive goals for this administration to expand these opportunities beginning with the strategy to increase minority home ownership throughout the nation by 5.5 million families by the year 2010.

"And just last week the President expanded his vision for American home ownership with the goal of increasing the supply of affordable housing by 7 million units over the next 10 years.

"To achieve this goal, the President is calling for the passage of his Home Ownership Tax Credit, which will provide tax credits for construction of affordable homes for middle-income purchasers, and he is encouraging communities to reduce regulatory barriers to home ownership.

"Since this administration came into office, we have also provided substantial new down payment assistance and proposed additional down payment funding and increased funding for housing counseling and self-help ownership opportunities.

"USDA is working on many fronts to help the President meet his goals. One example is an agreement that I signed last year with former Secretary of the Department of Housing and Urban Development Mel Martinez. And the purpose of this agreement was to increase outreach and financial assistance to families in the Southwest border region.

"Since we signed that agreement, more than 600 families have received home ownership financing.

"Since the Bush Administration came into office, more than 150,000 rural families have realized their dream of home ownership. This year alone 20 percent of the first-time homeowners receiving funding through USDA Rural Development are minorities. We want this number to continue to increase, but it is a good step toward meeting the President's goals.

"Home ownership adds to the quality of life in our towns, not just putting a roof over the heads of families but also by creating jobs and providing more tax base to support local needs.

"Another strong economic driver in the rural economy is our business-development efforts, our second area of focus in our Rural Development area. In 2001, I announced a strategy for improving rural economies as part of our broad policy book for farms in rural America. We acknowledged that agricultural policy is no longer synonymous with rural policy and that rural communities need new opportunities to thrive economically.

"USDA has been working with farmers, ranchers and small businesses to create new markets and value-added products from natural resources and commodities that can bring greater profitability to the producer.

"We have also been working to support local business development through a variety of business loan and grant programs. President Bush's tax cut plan is contributing to a positive business environment in rural America, giving Americans greater economic freedom to pursue their dreams.

"But in order to create opportunities for communities and businesses to compete in a global economy, we need to ensure that the infrastructure and the most advanced technologies are available. That is the third area of focus for USDA Rural Development.

"One example is USDA's support of the President's Broadband Initiative. President Bush understands the value of universal access to high-speed Internet technology, and he has set a goal

of ensuring that broadband is available to all Americans by the year 2007.

"Access to broadband technologies means better educational, health and other services that improve quality of life and create an economic environment for individuals and businesses to thrive.

"I have spoken with business owners, families and educators who have benefited from USDA financing of these advanced technologies. They tell me over and over that it has dramatically improved their quality of life.

"For the communities that you represent, the ability to recruit new businesses or provide vital services such as health-care relies on access to the best technology.

"Since the President came into office, \$2.9 billion has been invested in building the infrastructure to support broadband technology. In fact over one million families now have access to broadband, and we continue to work every day to meet the President's 2007 goal of universal access.

"The Bush Administration has been working to help rural communities with the financing of other critical infrastructure such as electric and water and wastewater systems. Since 2001 we have invested \$11.2 billion in electric infrastructure benefiting 1.2 million new customers, and \$5.4 billion in water and wastewater systems benefiting 2.7 million people.

"We have been able to address the backlog of water and sewer applications with additional funds authorized in the 2002 Farm Bill. By addressing this backlog, we are confident that the President's 2005 budget will be sufficient to assist communities in meeting their infrastructure needs.

"And at a time when homeland security issues are concerns for local communities, an initiative to support first responder equipment and services in rural communities has been implemented in USDA.

"Through this initiative the Bush Administration has provided funding to purchase 600 fire trucks and 150 police cars and funding to construct or renovate nearly 100 medical facilities. These funds are a major investment in the lives and security of our citizens.

"Today about 60 million Americans live in rural areas. And in order to help meet their vital needs such as public safety and emergency response, our partnerships with you are critical. The bottom line of all of our rural development efforts is not just safety or quality of life, but jobs.

"Through USDA's Rural Development investments, an estimated 500,000 jobs have been created or saved under the Bush Administration. By the end of this month, we will have invested nearly \$50 billion to support home ownership, business and community development in rural America.

"USDA Rural Development is also engaging in an active outreach effort to ensure that individuals and communities know what programs and services are available to them. The focus is placed on the customer and our creating consistent and clear messages for the various programs that are offered by Rural Development.

"I'm confident that USDA is making a real difference in communities all around the country, and we need your help to generate awareness of what we can provide.

"Another area of great concern to your organization where the Administration is working to build new and better partnerships is in the area of conservation of natural resources. About two weeks ago President Bush signed an Executive Order calling on federal agencies to work side by side with communities and the American people to build on our past environmental successes.

"Progress on environmental stewardship is possible only when there are partnerships and cooperation at all levels-- from the private sector that creates jobs, prosperity and volunteerism opportunities, to the government.

"Some of our greatest conservation and environmental successes occur when landowners and communities work together. The President wants our federal agencies to support this culture of responsibility and to respect private landowners by being good neighbors and good environmental partners.

"Under the President's leadership, federal agencies are advancing cooperative conservation and environmental partnerships to achieve significant results. USDA is proud to be a strong contributor to conservation, especially through conservation efforts involving American farmers, ranchers and private landowners as well as our stewardship of 192 million acres of our National Forests.

"As I have traveled around the country, I hear from many people who want more constructive and collaborative relationships when it comes to environmental issues and regulations. I asked our subcabinet at USDA to outline innovative ways to implement this Executive Order at the local level and ensure that we're all working together to provide effective assistance to communities and landowners.

"Rural communities have seen firsthand the President's personal commitment to conservation. This is demonstrated by an 80 percent increase in funding for farm conservation, the expansion of the Conservation Reserve Program, the President's Healthy Forests Initiative, his Wetlands Initiative, as well as other conservation programs.

"A lot of good work is already being done in cooperative conservation, but there is more to do. We value the working relationship that we have with communities and local governments, and this collaboration will continue to be a guiding force for the Administration whether in our programs or initiatives, including the Faith-based and Community Initiatives.

These initiatives are empowering organizations to help neighbors deal with some of their most pressing local problems such as drug abuse, hunger or illiteracy. The programs and services of USDA are delivered by an excellent team of talented individuals. They represent a vast local network of agencies that includes agencies such as Rural Development, the Farm Service Agency, the Natural Resource Conservation Service, Extension agents and administrators of programs such as the Food Stamp program, School Lunch and School Breakfast Programs, and the Women, Infants and Children program.

"Our doors are always open to you. On behalf of the millions of Americans who live in towns and townships all across the country, thank you for the work that you do, and thank you for your dedication to a better future for your communities and for our country.

"Thank you all very much for having me here today, and God bless you."

[Applause.]

**MR. ALLAN FRISCHKORN:** "The Secretary would be willing to take a few questions if anyone has a particular question. There's a microphone set up on either side in the aisle toward the back. If anyone has a question they'd like to address to the Secretary at this time? Does anyone have a question?"

"Yes, sir.

**QUESTION:** "Do I need a microphone, or am I loud enough? The thing I keep harping on and asking about is were all legalities [inaudible] farmland but nothing really to preserve the farmer, help the farmer. The farmer [inaudible]. Is there anything coming down the pike for local farmers [inaudible]?"

**SEC. VENEMAN:** "Well, let me just say a word about that. First of all, tax benefits. You know that under the -- the President has proposed tax cuts. One of the things that we did in USDA was, we looked at how the President's tax cuts would impact the farmers. And our Chief Economist did the analysis and determined that the tax cuts that we passed in this Administration means \$4 billion in the pockets of farmers and ranchers in the year 2003 and an additional \$4 billion in the pockets of farmers and ranchers in 2004 for a total of \$8 billion the last two years in added benefits. Now that comes from all of the different kinds of tax cuts.

"But one of the things it helps farmers in particular is the expense saving provision that allows you to expense \$100,000 in a single year from what was previously \$25,000. In addition, farmers, when we talk about the tax code, we feel passionately about eliminating the death tax. The President wants to do that, and that's something that is beginning to be phased out, but it's not yet a permanent solution in the legislation that's been passed.

"As you know, last week the President proposed a wholesale review of the tax code. And so all of that in terms of tax benefits to farmers would be included within that review.

"But let me just say a word about other programs that also benefit farmers and ranchers. Obviously there are price support programs that give the safety net for farmers and ranchers. As I indicated in my remarks, we have an 80 percent increase in conservation spending. As the President says, farmers and ranchers are the best stewards of the land; and so many of our programs are more and more oriented toward helping farmers and ranchers be the best stewards of the land that we know that they can be.

"And so whether it's the Environmental Quality Incentive Program, Wetlands Reserve Program, Conservation Reserve Program, the Conservation Reserve Enhancement Program which is a partnership program with states, there are a whole range of conservation programs, many of which now focus much more on working farmland as opposed to taking land out of production. That also helps the family farmer.

"So in addition of course are our Rural Development programs I talked about today. But I do think there are a broad range of programs that do help the family farmer. I think the tax benefits under this Administration have helped the family farms tremendously, and we will continue to do everything that we can to ensure that people are benefiting from the programs that we administer."

**QUESTION:** "I'm Brice Simms (sp) from Montgomery County, Jefferson Township, Ohio. It's an honor to just sit here and see you because if it hadn't been for your department we could have never had our new fire station and administration building. I'm here just to thank you and your office in Columbus, Ohio. Thanks again. Keep doing the good work. Thanks."

[Applause.]

**SEC. VENEMAN:** "Thank you very much. And I hope that you will pass along the thanks to the people who work in our state and local offices within USDA and people who are helping to keep your community and other communities that are represented. We appreciate that."

**QUESTION:** "Does USDA have a position on urban sprawl?"

**SEC. VENEMAN:** "Does USDA have an stand on urban sprawl? This is an issue that's getting increasing attention throughout the country, but I must say particularly on the coast, on the states that are on the East Coast and the West Coast. But I must say it was a question that was raised significantly when I was in the suburb areas of farmland around Chicago.

"And there are a number of efforts that are now under way to help protect farmland, programs that buy out the development rights for example. We have some funds in something called the Farmland Protection Act in USDA.

"But there are a number of private, nonprofit foundations that are providing these kind of benefits to farmers holding the land in what is development rights and trust on the condition that the land be continued to used as farm. And now we're finding that some organizations, ag organizations themselves for example the Colorado Cattle Association now has its own land trust to help protect farmlands.

"And most of these farmland trusts are really strategic in the way they establish their resources and put their resources to work in that they try to create buffer zones between ag and urban development.

"And I think that we will continue to see a lot of effort in this regard. There is so much pressure on urban development into agricultural areas.

"We can certainly see it here in the Washington Metropolitan area for example and in many places all around the country. So it is an area of concern, and it is an area that is being addressed in many ways.

"And I think another way that this issue can be addressed and all of you are involved in local government is by your local planning decisions. I mean there's nothing that can really affect land use as directly as determining your zoning for example.

"And that truly can make a huge difference in terms of looking to the future of a community and say, where is it that it's going to develop, where do we want to protect the farmland and the rural areas?

"And I think that those are decisions that local government needs to take a very proactive role as they're addressing these issues."

**QUESTION:** "My name is Paul Mendito (sp). I'm [inaudible] supervisor from [inaudible] Pennsylvania. And this may not fall under your jurisdiction but I hope you will bring it up to the President. We live in a tourist related area in the Pocono region of Pennsylvania. We have a major problem with infrastructure and the Penn DOT has worked diligently over the last several years on projects called the Marshal's Creek Bypass.

"Funding is in place. Everything is in place for this. And it is now being held up by the Army Corps of Engineers. And what the Army Corps of Engineers has done is, they are asking Penn-Dot to [Inaudible] and unprecedented restrictions on Penn-Dot. As far as [inaudible] follow-ups and things I don't have those details. I wasn't prepared for this question as much as I'd like to. But the Army Corps of Engineers, they're asking for unreasonable restrictions. Penn-Dot is not going to agree to these conditions as far as I know because if they agree to these conditions they will set a precedent for the entire state, maybe the entire nation.

"We've worked with our Senators, we've worked with our Congressmen. They're all on board with us. I think at this point the tourism industry is to survive in my section of Pennsylvania. I think we need the President to step in and solve this impasse. We'd greatly appreciate [inaudible]."

**SEC. VENEMAN:** "Well, I will certainly pass along your concern. The Army Corps of Engineers is under the Defense Department.

"But it isn't [inaudible] that we work closely with just in terms of all the environmental and conservation issues that we deal with on behalf of farmers and ranchers. So I would be happy to pass along this concern."

**QUESTION:** "Thank you."

**SEC. VENEMAN:** "One more right here behind you."

**QUESTION:** "Madam Secretary, my name is Jed Fisher (sp). I'm from the northern part of Minnesota. And you have just made a comment where you want to have broadband all put in to all rural residents by 2006. I can't see how that's going to be done because in rural Minnesota, we can't even get cell phones to work."

[Laughter.]

**SEC. VENEMAN:** "I know. I've traveled in some of those areas."

**QUESTION:** "Broadband -- [inaudible] new cables and all that -- 20, 30 miles [inaudible]."

**SEC. VENEMAN:** "The President's vision is to have broadband available all over the country by the year 2007. Now, we have a broadband program in USDA. And of course our broadband programs focus on rural communities. And so we are working to try to get as many low interest loans and grants through this program to be able to access rural communities.

"I know, having been out in many of these rural communities, how difficult it is to access phone lines, cell phone lines and technology. But it makes a huge difference to small communities in terms of being able to attract economic development for example.

"We've done some projects -- through our Broadband Initiative with the rural communities where we're able to link small healthcare facilities in with major university hospitals with the assistance of broadband, and doctors can talk to each other to help treat patients and give rural residents a whole new opportunity for better healthcare.

"Or we've done projects -- I saw one the other day where we had a small rural community down somewhere in the South, linked in with scientists in NASA. And it was a classroom project where the scientists were working with the students over the Internet as an interactive

tele-video process of education.

"And so I think that these kinds of opportunities are there if we can get technology into the rural areas in particular in America. And that's one of the goals that we're working very hard to achieve.

"I want to thank you all once again for having me here today. I want to thank you for the jobs that you do. I know, I grew up in a family where my parents and my grandparents served in local government in a small community. You give your time for the betterment of your community. And I just want to say, thank you on behalf of the President for what you do.

"Thank you all very much."

[Applause.]

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